

(1) Number of pages _____

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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	3525	Press
B.P. No.		Mis.
Dated	14-12-1955	1875

Original

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
14th December 1875.*

No. 224. Read the following Proceedings of the Government of India in the Public Works Department, (Account—Guaranteed Railways,) dated Fort William, 2nd December 1875, Nos. 352—58 A.—G. R. :—

Method of calculating Guaranteed Interest for broken periods.

Read again—

- (1).—Despatch No. 97 R, dated 29th July 1875, to the Secretary of State.
- (2).—Letter No. 214 A.—G. R., dated 29th July 1875, to the Consulting Engineer for Guaranteed Railways, Lucknow.

Read also—

From the Secretary of State for India, to the Government of India, dated 30th September 1875, No. 97 R.

In reply to your Excellency's letter of the 29th July last, No. 97, I transmit herewith a copy of a memorandum* by the Accountant of this department,

* Dated 1st September 1875.
explaining the principle on which interest for broken periods is calculated in this office, and I request that the same principle may be followed in India; that as the accounts are closed half-yearly, a full half-year's interest will be payable for a full calendar half-year, but for any shorter period the amount will be $\frac{\text{number of days}}{365} \times \text{rate of yearly interest}$.

Memorandum by T. W. KEITH, Esq., Accountant, dated 1st September 1875.

The rate of interest guaranteed by the Secretary of State being £5 per cent. *per annum*, the amount of interest in the cases referred to in the accompanying letter (as in all cases of interest calculated or passed in this office, whether relating to Guaranteed Companies or not) has been calculated as against the year. Thus in calculating a half-year's interest, the half of the interest for one year is in all cases taken without reference to the number of days in that half-year, and similarly, in the case of a broken period, the proportion of the *year* for which interest is due is always taken.

This is the basis on which all commercial transactions are calculated, and on which all published interest tables are compiled, and there is no reason why it should be departed from in this instance. It is also followed by this particular Company in their claims for interest in this country.

ORDER.—Ordered, that a copy of this despatch and its enclosure be communicated to the Local Governments and Officers noted in the margin for information and guidance.

Governments of Madras and Bombay.
Consulting Engineers at Calcutta, Lahore and Lucknow.

Ordered also, that a copy be forwarded to the Financial Department and to the Accountant-General, Public Works Department, for information.

(Signed) A. J. FILGATE, Major, R.E.,
Under Secy. to the Govt. of India.

Proceedings of the Madras Government, Public Works Department,
14th December 1875.

No. 225.

ORDER THEREON, 14th December 1875, No. 3,525.

RAILWAY, No. 26.

COMMUNICATED to the Examiner of
Railway Accounts for information and
guidance.

(True Extract.)

Major-General, R.E.,
Secretary to Government.

To the Examiner of Railway Accounts.
" Consulting Engineer for Railways.

Pub: No. 1875-24/5
7936.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

Guaranteed Railways.

To

THE GOVERNMENTS OF MADRAS AND BOMBAY.
THE CONSULTING ENGINEERS, CALCUTTA, LAHORE
AND LUCKNOW.

THE FINANCIAL DEPARTMENT.

THE ACCOUNTANT GENERAL, PUBLIC WORKS
DEPARTMENT.

Nos. 352—58 A—G R.

Dated December 2, 1875.

Received 13- Decr

Method of calculating Guaranteed Interest for
broken periods.

No. 280, P. W. D. Press—2-12-75—130.

With order

14 Decr 75
Recd: By Decr
Consulting Eng for Rly.

21

21
Decr 23-12-75

Communicated to the Examiner of Railway
Accounts for information and guidance.

No 224/5

1936
Govt. of 1875 Madras.

PUBLIC WORKS.

To
Manager of Railway
Accounts.

Dated

Issued

Recd.

End

G. O. 14 Dec 1875 No. 3525-

No. 224-228-

Method of Calculating quar-
-antined interest for broken
periods. - Pres. of the Govt.
of India forwarding instruc-
-tions for the Communi-
-cated to the Ex^l P^l Accto.